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GUS-0101
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23 January 1959

MEMORANDUM FOR RECORD

SUBJECT: Concurrence in Letter Contract No. JM-1926 [redacted]
with the Marquardt Aircraft Company, Van Nuys, California
Project GUSTO

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1. This memorandum contains a recommendation submitted for approval of the Director of Central Intelligence. Such recommendation is set forth in Paragraph 5.

2. Letter Contract No. [redacted] is being issued to Marquardt Aircraft Company for preliminary engineering design, studies and tests necessary to develop a ramjet engine compatible with the airframe design proposed by Convair, Forth Worth, as a replacement for the U-2. This initial effort is to take approximately $4\frac{1}{2}$ months and is estimated to cost \$1,500,000. The contractor will be furnished the airframe parameters by Convair, and at the end of the $4\frac{1}{2}$ months will deliver a preliminary model specification of the engine and engine controls. In addition a mock-up of the approved engine design will start to be fabricated. This letter contract is being issued on a CPFF basis; however, if the scope of work to be performed cannot more reasonably be defined, some other form of contract may be devised. Any contract resulting for the fabrication of engines, however, will in all probability be a CPFF. The decision to proceed is, of course, dependent upon the results of the evaluation of the Convair and Lockheed versions follow-on vehicles.

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3. Letter Contract No. [redacted] obligates an amount of \$500,000.00 at this time, chargeable to Fiscal Year 1959, Project GUSTO Funds. By concurrence to this memorandum, the Comptroller signifies that sufficient funds are available for this additional obligation.

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4. Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956, which in effect results in all 10(b) expenses involving issuance of Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 10(b) of Public Law 110, 81st Congress, for each contract.

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5. Approval of Letter Contract No. [redacted] and execution thereof on behalf of the Agency by the authorized Contracting Officer is recommended.

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[redacted]

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RICHARD M. BISSELL, JR.
Deputy Director (Plans)

CONCURRENCES:

[redacted]

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EUGENE KIEFER

[redacted]

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Approval requested in
Paragraph 5, granted.

[Signature]
DIRECTOR OF CENTRAL INTELLIGENCE

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